CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

MEMORANDUM

TO: KEDFA Board Members

FROM: Jean R. Hale, Chairman
Kentucky Economic Development Finance Authority

DATE: May 22, 2020

SUBJECT: **KEDFA Special Board Meeting**

Due to the state of emergency declared by Governor Beshear via Executive Order 2020-15 regarding COVID-19, all previously announced in-person meetings involving the Kentucky Cabinet for Economic Development scheduled in May have been cancelled. In accordance with the provision of KRS 61.823, a special meeting of the Kentucky Economic Development Finance Authority is called for **10:00 a.m. (EDT) on Thursday, May 28, 2020**. The board meeting will be held via video teleconference at the following link: https://us02web.zoom.us/j/83775989717?pwd=NXMwT281ZWt1akI3OVpXd2k4UFdXUT09.

The purpose of the meeting is to consider all projects scheduled for the regular May meeting that was cancelled due to the state of emergency.

Attachment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

SPECIAL BOARD MEETING

Video Conference Website/Link:
https://us02web.zoom.us/j/83775989717?pwd=NXMwT281ZWt1akI3OVpXd2k4UFdXUT09

AGENDA
May 28, 2020

Call to Order
Notification of Press
Roll Call

Minutes from April 30, 2020 Special KEDFA Board Meeting

Reports

KEDFA IRB Projects

TIF Projects

EDF Projects

KBI Projects (Amendment)

KEIA Projects (Extension)

KBI Projects (Preliminary) & KEIA Projects

KBI Projects (Preliminary)

KBI Projects (Extension)

KBI Projects (Final)

KSBTC Projects

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

SPECIAL BOARD MEETING
April 30, 2020

MINUTES

Call to Order
Due to the state of emergency declared by Governor Beshear via Executive Order 2020-15 regarding COVID-19, all previously announced in-person meetings involving the Kentucky Cabinet for Economic Development scheduled in April were cancelled. In accordance with the provision of KRS 61.823, a special meeting of the Kentucky Economic Development Finance Authority (KEDFA) was called for 10:00 a.m. (EDT) April 30, 2020 via video teleconference at the following link: https://zoom.us/j/93887651293?pwd=cjVYWkhXaXYwY2JGT1RoR3FIMHp3QT09 to consider all projects. KEDFA convened at 10:02 a.m. EDT on April 30, 2020.

Notification of Press
Jean R. Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call
Members Present: Jean R. Hale, J. Don Goodin, Winston Miller, proxy for Secretary Holly M. Johnson, Tucker Ballinger, Chad Miller, Mike Cowles and Naashom Marx

Staff Present: Bobby Aldridge, Tim Back, Elizabeth Bishop, Sarah Butler, Brittany Cox, Martin David-Jacobs, Danielle Dunmire, Lisa Duvall, Michelle Elder, Tony Ellis, David Hamilton, Krista Harrod, Katie James, Andy Luttner, Brandon Mattingly, Jack Mazurak, Kate McCane, Craig McKinney, Sean Muldoon, Kylee Palmer, Corky Peek, Debbie Phillips, Jason Rainey, Charlie Rowland, Kristina Slattery, Katie Smith, Teresa Spreitzer and Jeff Taylor

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Andra Brion and Colin Regis, 3M Company; Kristina Buckler, Ernst & Young; Billy Aldridge, Ryan Barrow and Sandy Williams, Finance & Administration Cabinet, Office of Financial Management; Jeff Hodges, Gray Construction; Garnett Furnish, Harrison County Economic Development Corporation; Alex Mercer, Louisville Forward; Matt Zoellner, Scott, Murphy & Daniel; and Rick Games, The Elizabethtown-Hardin County Industrial Foundation, Inc.

Approval of Minutes
Chairman Hale entertained a motion to approve the minutes from the March 26, 2020 special KEDFA board meeting.

Chad Miller moved to approve the minutes, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Report
Chairman Hale called on Kylee Palmer to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Krista Harrod to review the financial statements and monitoring reports. After review, the Authority accepted the statements and reports as presented.

KEDFA Economic Development Fund (EDF) Projects

Chairman Hale called on staff to present the proposed EDF projects to the Authority.

Phoenix Paper Wickliffe LLC **Kristina Slattery**
Ballard County **Kate McCane**

Kristina Slattery stated Phoenix Paper Wickliffe LLC is a wholly owned subsidiary of Shanying International Holdings and headquartered in Shanghai, China. The company is restarting a mill in Wickliffe and converting it to a pulp and brown paper packaging facility.

Kate McCane stated Ballard County Fiscal Court requested the use of $1,500,000 in EDF program funds for the benefit of Phoenix Paper Wickliffe LLC. The project investment is $150,000,000, and the proposed EDF grant will be used to offset the costs associated with this project. The company will be required to create 500 new, permanent, full-time, Kentucky resident jobs paying an average hourly wage of $33.00, including benefits. The Grant is performance-based and disbursement will not occur until after annual compliance is confirmed. Payment reduction provisions are included in the grant agreement and will apply if the company fails to create and maintain the jobs and wages by the required measurement dates.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Ms. McCane stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

J. Don Goodin moved to approve the staff recommendation, as presented; Winston Miller seconded the motion. Motion passed; unanimous.

The Elizabethtown-Hardin County Industrial Foundation, Inc. **Martin David-Jacobs**
Hardin County **Kate McCane**

Martin David-Jacobs stated the City of Elizabethtown in partnership with The Elizabethtown-Hardin County Industrial Foundation, Inc. is seeking to perform site leveling and grading, construct a regional detention basin and assure utilities are available in the TJ Patterson Industrial Park. The City of Elizabethtown has committed general funds to match the EDF grant.

This is a Product Development Initiative (PDI) project recommended for approval under the EDF program. The project was identified by an independent site selection consultant contracted by the Kentucky Association for Economic Development as having the potential for future investment/location of an economic development project.

Ms. McCane stated the City of Elizabethtown requested the use of $500,000 in EDF program funds for the benefit of The Elizabethtown-Hardin County Industrial Foundation, Inc. The project investment is $1,000,000, and the proposed EDF grant will be used to offset the costs associated with this project. Disbursement requests may be submitted no more than monthly, requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Ms. McCane stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF PDI request.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Cowles seconded the motion. Motion passed; unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on Bobby Aldridge to present the KEIA extension requests to the Authority.

Mr. Aldridge stated five companies requested additional time to complete the projects and asked that all five be presented as one motion.

Company	County	Extension
Kentucky Building Systems LLC	Daviess	6 Month
Alltech, Inc.	Jessamine	9 Month
Ale-8-One Bottling Company	Clark	12 Month
Water Tower Place, LLC	Jefferson	12 Month
White Rock Pigments, LLC	Hancock	12 Month

Staff recommended approval of the KEIA extension requests.

Mr. Miller moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed; unanimous.

KEIA Project

Chairman Hale called on staff to present a KEIA project to the Authority.

Buffalo Trace Distillery, Inc. **Andy Luttner**
Franklin County **Michelle Elder**

Andy Luttner stated Buffalo Trace Distillery, Inc. has been making bourbon whiskey for more than 200 years. The project would include the expansion of its barrel storage warehouses due to increased demand.

Michelle Elder stated the project investment is $34,000,000 of which $12,000,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of $200,000 for construction materials and building fixtures.

Mr. Cowles moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

KBI Projects (Preliminary)

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

3M Company **Elizabeth Bishop**
Harrison County **Debbie Phillips**

Elizabeth Bishop stated 3M Company produces over 60,000 products for Health Care, Transportation and Electronics, Safety and Industrial, and Consumer markets. The Cynthiana plant manufactures the iconic Postit® Note, Post-it® Easels, and Scotch® Package Protection Tapes.

The company is considering additions and upgrades to the Post-it® Note and Scotch® Package Protection Tapes production lines, Plant Roof Renewal, and various facility infrastructure.

Debbie Phillips stated the project investment is $50,600,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of $30.00 including benefits. The state wage assessment participation is 5.00%. The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 515 full-time, Kentucky resident employees (base employment number required by previous project KBI #20374). The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $500,000.

Ms. Marx moved to approve the staff recommendation, as presented; Mr. Cowles seconded the motion. Motion passed; unanimous.

PRCO America, Inc. **Andy Luttner**
Graves County **Debbie Phillips**

Mr. Luttner stated PRCO America, Inc., a subsidiary of Puyang Refractories Group Co., Ltd. of Puyang, China, manufactures high quality resin bonded Magnesia-Carbon refractory bricks. The company is considering locating a new facility in Hickory to serve its North American customers.

Ms. Phillips stated the project investment is $5,489,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 32 with an average hourly wage of $24.50 including benefits. The state wage assessment participation is 5.00%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $550,000.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

Maxey Industries, Inc. **Martin David-Jacobs**
Shelby County **Kate McCane**

Mr. David-Jacobs stated Maxey Industries, Inc. is a current supplier to NIFCO America for some of its assembly business. The company is considering making improvements to its existing facility as well as purchasing equipment to provide the needed molding capacity to produce the components for the current assembly business.

Ms. McCane stated the project investment is $2,201,560 of which $1,012,402 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of $27.00 including benefits. The state wage assessment participation is 2.25% and the City of Shelbyville will participate at 0.75%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will be required to maintain 90% of the total countywide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $275,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Cowles seconded the motion. Motion passed; unanimous.

NRE Hagerstown, Inc. dba NRE Paducah **Andy Luttner**
McCracken County **Michelle Elder**

Mr. Luttner stated NRE Hagerstown, Inc. (NREH) is a manufacturer of locomotive power assemblies and related engine components. NREH is a primary supplier of locomotive power assemblies to National Railway Equipment Co. The company is considering the relocation of one of its machining operations to Paducah to help meet customer demand.

Ms. Elder stated the project investment is $1,300,000, of which $1,050,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 15 with an average hourly wage of $30.46 including benefits. The state wage assessment participation is 5.00%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $150,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

Chairman Hale called on Ms. Elder to present the KBI extension requests to the Authority.

Ms. Elder stated six companies requested additional time to complete the projects and asked that all six be presented as one motion.

Company	County	Extension
MSSC US Inc.	Christian	3 Month
Fischbach USA Inc.	Hardin	6 Month
Interapt, LLC	Jefferson	6 Month
Summit Biosciences Inc.	Fayette	6 Month
Braidy Atlas, LLC	Boyd	12 Month
Kobe Aluminum Automotive Products LLC	Warren	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; Chairman Hale abstained.

KBI Projects (Final)

Chairman Hale called on Ms. Phillips to present the KBI final projects to the Authority.

Ms. Phillips stated six companies requested KBI final approval, one of which has a modification since preliminary approval. Ms. Phillips asked that all six be presented as one motion.

No Modifications:

Project Name	County	Type Project
Adient US LLC	Scott	Manufacturing
Fibonacci LLC	Calloway	Manufacturing
Holley Performance Products, Inc.	Warren	Manufacturing
Sentry Steel, Inc.	Jefferson	Manufacturing
Worldwide Technologies, LLC	Simpson	Manufacturing

Modifications:

Corvac Composites, LLC Butler Manufacturing
The project has modified from a leased project to an owned project and no rent is eligible. All other aspects of the project remain the same.

Staff recommended final approval of the KBI resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed, unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are 19 Kentucky small businesses, from 14 counties with qualifying tax credits of $178,200. The 19 businesses created 51 jobs and invested $412,559 in qualifying equipment and/or technology.

Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
Cliff Buzic, Inc..	Nelson	30	2	$ 13.14	$ 50,148	$ 7,000
Copperhead Environmental Consulting, Inc.	Garrard	23	3	$ 15.08	$ 29,705	$ 10,500
Hoover Farms, LLC	Ohio	0	1	$ 18.00	$ 9,900	$ 3,500
IGNEW, LLC	Jefferson	7	1	$ 42.30	$ 6,976	$ 3,500
Industrial Field Maintenance, LLC	Fleming	16	5	$ 28.80	$ 17,884	$ 17,500
Little Links to Learning, LLC	Kenton	21	7	$ 13.79	$ 25,110	$ 24,500
Map Enterprises Inc.	Graves	34	6	$ 13.25	$ 24,414	$ 21,000
MedIQ Learning, LLC	Hardin	8	3	$ 63.50	$ 10,248	$ 10,200
MILA International, Inc.	Boone	19	2	$ 29.35	$ 11,670	$ 7,000
Miranda Construction, LLC	Jefferson	10	4	$ 28.94	$ 17,998	$ 14,000
Moonrise Doughnuts LLC	Kenton	3	1	$ 12.00	$ 7,809	$ 3,500
Motus Freight, LLC	Campbell	15	3	$ 43.74	$ 23,632	$ 10,500
Owl's L&L, LLC	Bullitt	0	1	$ 17.00	$ 8,419	$ 3,500
Peak Neuromonitoring Associates-KY LLC	Jefferson	3	4	$ 35.15	$ 30,767	$ 14,000
Rite-Way Equipment Company, Inc.	Jefferson	13	2	$ 17.00	$ 91,000	$ 7,000
Ronald Johnson and Associates, P.S.C.	Hopkins	7	1	$ 24.04	$ 9,371	$ 3,500
Stones & Granite of Lexington, LLC	Fayette	5	3	$ 11.83	$ 11,354	$ 10,500
Watson's Heat & Air LLC	Madison	7	1	$ 16.00	$ 7,500	$ 3,500
Wright Contracting Services, Inc.	Kenton	16	1	$ 26.56	$ 18,654	$ 3,500

Staff recommended approval of the tax credits.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Cowles seconded the motion. Motion passed; unanimous.

Other Business

Quarterly Report - Kentucky Small Business Credit Initiative (KSBCI)

Chairman Hale called on Ms. Palmer to review the KSBCI Quarterly Funding Report for the period ending March 31, 2020. After review, the Authority accepted the report as presented.

Quarterly Report – Letter Amendments / Resolution

Chairman Hale called on Tony Ellis to review the Quarterly Amendment Report ending March 31, 2020.

Mr. Ellis stated the Bylaws of the Board of Directors of KEDFA grant authority to the Commissioner of the Department for Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Mr. Ellis noted the following amendments /have been executed:

KRA
Westlake Vinyls, Inc.
Letter Amendment to KRA Agreement dated December 3, 2019 between Westlake Vinyls, Inc. and KEDFA ("Agreement") ("Letter Amendment"), to revise the manner in which the Company files its income tax returns. Effective January 31, 2014 the Company's income tax return filings referred to in the Agreement, and any amendments, exhibits or other documents related to the agreement, will be in accordance with the language set forth in the Letter Amendment.

KJRA
Sitel Operating Company
Letter Amendment to KJDA Service and Technology Agreement dated September 30, 2018 between Sitel Operating Corporation ("Company") and KEDFA ("Agreement') ("Letter Amendment") to acknowledge the Company's purchase of the Project site and the end of the Company's rent payments. Effective December 31, 2013 the Company is no longer required to submit Exhibit H to the Agreement, The Certificate of Lessor as to Annual Rent Payments from Company.

Staff recommended the Authority accept the amendment report and adopt the resolutions to ratify the amendments.

Mr. Goodin moved to accept the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Adjournment

There being no further business, Chairman Hale entertained a motion to adjourn.

Mr. Miller moved to adjourn the April KEDFA special board meeting; Ms. Marx seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:31 a.m.

APPROVED
PRESIDING OFFICER:

Jean R. Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED

4/30/2020

Approved and Undisbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
KEDFA LOANS					
None					
KEDFA GRANTS					
Corbin Tri-County Joint Industrial Development Authority	22283	Knox	Oct-15	Oct-21	$381,774
SMALL BUSINESS LOANS					
None					
TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)					**$381,774**

Approved and Partially Disbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
KEDFA GRANTS							
Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	$500,000	($375,000)	$125,000
Louisville/Jefferson County Metro Government (Res-Care, Inc.)	21990	Jefferson	Jan-18	Dec-22	$500,000	($200,000)	$300,000
TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)							**$425,000**

TOTAL KEDFA APPROVED AND NOT DISBURSED	**$806,774**

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
4/30/2020

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 4/30/20	OOE 4/30/20	COMBINED 4/30/20
ASSETS						
Cash & Accounts Receivable						
Operating Account	117,415.13	0.00	0.00	117,415.13	0.00	*117,415.13*
Cash	373,244.11	17,908,323.27	412,903.21	18,694,470.59	0.00	*18,694,470.59*
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	*137,500.00*
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,762,174.78	*2,762,174.78*
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	*4,043.88*
Investment Account	0.00	0.00	0.00	0.00	0.00	*0.00*
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	*0.00*
Intergovernment Receivable	806,774.00	0.00	0.00	806,774.00	98,006.21	*904,780.21*
Total Cash & Accounts Receivable	**1,297,433.24**	**17,908,323.27**	**412,903.21**	**19,618,659.72**	**3,001,724.87**	***22,620,384.59***
Accrued Interest Receivable						
Loans	31,507.35	235.83	0.00	31,743.18	0.00	*31,743.18*
Investments	2.82	149.91	3.34	351.55	0.00	*351.55*
Total Accrued Interest Receivable	**31,510.17**	**385.74**	**3.34**	**32,094.73**	**0.00**	***32,094.73***
Notes Receivable						
Loans Receivable	52,880,540.83	200,506.84	0.00	53,081,047.67	0.00	*53,081,047.67*
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,434,722.43)	0.00	*(1,434,722.43)*
Total Notes Receivable	**52,880,540.83**	**200,506.84**	**0.00**	**51,646,325.24**	**0.00**	***51,646,325.24***
TOTAL ASSETS	***54,209,484.24***	***18,109,215.85***	***412,906.55***	***71,297,079.69***	***3,001,724.87***	***74,298,804.56***
DEFERRED OUTFLOWS OF RESOURCES:						
Deffered Outflows Pension				***1,893,000.00***	***0.00***	***1,893,000.00***
Deffered Outflows OPEB				***455,000.00***	***0.00***	***455,000.00***
LIABILITIES						
Accrued Salaries & Compensated Absences				**351,752.04**	**0.00**	***351,752.04***
Accounts Payable				**0.00**	**0.00**	***0.00***
Intergovernment Payable						***0.00***
Grants Payable				**0.00**	**0.00**	***0.00***
Pension Liability				**9,480,000.00**	**0.00**	***9,480,000.00***
OPEB Liability				**1,650,000.00**	**0.00**	***1,650,000.00***
TOTAL LIABILITIES				***11,481,752.04***	***0.00***	***11,481,752.04***
DEFERRED INFLOWS OF RESOURCES						
Deffered Inflows Pension				***133,000.00***	***0.00***	***133,000.00***
Deffered Inflows OPEB				***147,000.00***	***0.00***	***147,000.00***
NET POSITION						
Beginning Balance				**28,504,305.22**	**3,352,157.11**	***31,856,462.33***
Current Year Undivided Profits				**33,379,022.43**	**(350,432.24)**	**33,028,590.19**
TOTAL NET POSITION				***61,883,327.65***	***3,001,724.87***	***64,885,052.52***

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD April 30, 2020

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2019-2020 YEAR TO DATE	*FY 2018-2019 YEAR TO DATE*
Operating Revenues - KEDFA						
Interest Income/Loans	15,028.41	333.74	0.00	0.00	169,056.62	*184,348.53*
Interest Income/ Investments	2.82	149.91	3.34	0.00	194,939.22	*290,175.87*
Late Fees	0.00	0.00	0.00	0.00	0.00	*0.00*
Application Fees	9,327.00	0.00	0.00	0.00	436,130.44	*373,445.05*
Miscellaneous Income	17.14	0.00	0.00	0.00	3,083.97	*4,372.47*
Total Operating Revenues - KEDFA	**24,375.37**	**483.65**	**3.34**	**0.00**	**803,210.25**	***852,341.92***
Operating Expenses - KEDFA						
Salaries	100,329.50				1,002,459.46	*913,662.62*
Employee benefits	106,400.07				1,067,964.18	*945,235.38*
Pension Liability Adjustment	0.00				0.00	*0.00*
OPEB Liability Adjustment	0.00				0.00	*0.00*
Other Personnel Costs	0.00				0.00	*0.00*
Contracted Personal Services	8,979.97				122,133.41	*162,793.87*
Printing Services	0.00				50.00	
Utilities and Heating Fuels	0.00				0.00	*0.00*
Rentals	0.00				0.00	*0.00*
Maintenance and Repairs	0.00				0.00	*0.00*
Postage and Related Services	0.00				0.00	*10.71*
Telecommunications	0.00				0.00	*0.00*
Computer Services	0.00				0.00	*0.00*
Supplies	0.00				0.00	*0.00*
Miscellaneous Services	0.00				0.00	*32.00*
Travel	0.00				3,755.88	*3,967.39*
Miscellaneous Commodities	0.00				0.00	*335.00*
Dues	0.00				2,824.89	*0.00*
Commodities Expense	0.00				0.00	*0.00*
Bad Debt Expense	0.00				0.00	*0.00*
Grant Disbursement	0.00				0.00	*0.00*
Total Operating Expenses - KEDFA	**215,709.54**	**0.00**	**0.00**	**0.00**	**2,199,187.82**	***2,026,036.97***
Income (Loss) from Operations - KEDFA	**(191,334.17)**	**483.65**	**3.34**	**0.00**	**(1,395,977.57)**	***(1,173,695.05)***
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	*0.00*
Operating Transfer Out - BSSC					0.00	*0.00*
Operating Transfer Out - Secretary's Office					0.00	*0.00*
Operating Transfer Out - New Business	0.00				0.00	*0.00*
Transfer Due from Bonds					35,000,000.00	*381,774.00*
Transfer Due from KSBCI	0.00				0.00	*0.00*
Grants Disbursed	0.00				(225,000.00)	*(228,048.79)*
Operating Transfer In - Economic Dev	0.00				0.00	*(6,760.00)*
Unrealized Gains/(Losses) on Investment	0.00				0.00	*0.00*
Realized Gains/(Losses) on Investment	0.00				0.00	*0.00*
Total Non-Operating Revenues (Expenses) -	**0.00**	**0.00**	**0.00**	**0.00**	**34,775,000.00**	***146,965.21***
CHANGE IN NET POSITION - KEDFA	**(191,334.17)**	**483.65**	**3.34**	**0.00**	**33,379,022.43**	***(1,026,729.84)***
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	0.00	*0.00*
Misc Income				0.00	0.00	*0.00*
Disbursements: Projects (Note 1)					(148,983.01)	*(88,410.39)*
Repayments received from Projects				750.00	48,550.77	*0.00*
						0.00
Non-Operating Revenues (Expenses) - OOE						*0.00*
Operating Transfer in - OOE					0.00	*0.00*
Transfer Due from Bonds					0.00	*0.00*
Operating Transfer Out - OOE				0.00	(250,000.00)	*100,000.00*
CHANGE IN NET POSITION - OOE	**0.00**	**0.00**	**0.00**	**750.00**	**(350,432.24)**	***11,589.61***
CHANGE IN NET POSITION - COMBINED	**(191,334.17)**	**483.65**	**3.34**	**750.00**	**33,028,590.19**	***(1,015,140.23)***

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
4/30/2020

	4/30/2019	4/30/2020
Fund A Cash Balance	$1,293,203.35	$373,244.11
Less: Approved/Undisbursed		
Total Unobligated Balance	**$1,293,203.35**	**$373,244.11**
2003 Bond Fund Cash Balance	$17,061,973.36	$17,908,323.27
Less: Approved/Undisbursed	(2,361,774.00)	(806,774.00)
Total Unobligated Balance	**$14,700,199.36**	**$17,101,549.27**
Small Business Loan Fund Cash Balance	$406,502.22	$412,903.21
Less: Approved/Undisbursed		
Total Unobligated Balance	**$406,502.22**	**$412,903.21**
Bond Funds to be Provided for Loans		
Less: Approved/Undisbursed		
Total Unobligated Balance	**$0.00**	**$0.00**
Budget: Cash to be Transferred to Other CED Programs for	**$0.00**	**$0.00**
CASH AVAILABLE	**$16,399,904.93**	**$17,887,696.59**
OCI Fund Cash Balance		
High Tech Construction Pool	$137,500.00	$137,500.00
Less: Approved/Undisbursed	$0.00	$0.00
High Tech Investment Pool	$2,902,326.80	$2,762,174.78
Less: Approved/Undisbursed	($754,624.00)	($578,927.24)
LGEDF Pool	$4,043.88	$4,043.88
Less: Approved/Undisbursed	$0.00	$0.00
Bond Funds to be Provided for Approved Projects	$350,000.00	$98,006.21
Bond Funds Available for Projects		
Total Unobligated Balance	**$2,639,247**	**$2,422,798**
TOTAL ALL FUNDS	**$19,039,151.61**	**$20,310,494.22**

Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2020

KEDFA Meeting date	5/28/2020
Total Projects Approved Fiscal Year-to-Date	40
Number of Proposed Projects for Current Month	3

Construction Materials and Building Fixtures

Fiscal Year Cap	$20,000,000
Approved Fiscal Year-to-Date	$12,380,500
Committed Amount	$0
Balance Available for Current Month	$7,619,500
Proposed Approval for Current Month	$300,000
Balance Available for Remainder of Fiscal Year	$7,319,500

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	$5,000,000
Approved Fiscal Year-to-Date	$1,837,000
Committed Amount	$0
Balance Available for Current Month	$3,163,000
Proposed Approval for Current Month	$0
Balance Available for Remainder of Fiscal Year	$3,163,000

KBI Summary

Updated May 20, 2020

Fiscal Year End Reporting

		Jobs			Wages		
Year	Number of Projects	Jobs Reported	Job Target	% Achieved	Averge Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	$11.42	$11.00	104%
2011	5	269	257	105%	$35.00	$28.90	121%
2012	18	1,264	1,154	110%	$25.30	$23.23	109%
2013	58	5,908	5,395	110%	$24.85	$23.35	106%
2014	94	10,024	9,525	105%	$24.85	$22.98	108%
2015	142	14,506	13,113	111%	$25.38	$22.38	113%
2016	196	21,251	18,665	114%	$25.05	$21.79	115%
2017	242	25,897	21,967	118%	$26.85	$21.94	122%
2018	275	30,538	24,977	122%	$26.29	$21.79	121%
2019	211	24,414	18,344	133%	$29.28	$22.70	129%
2020	16	1,101	1,158	95%	$26.00	$19.35	134%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	$5,182,833	$4,914,663	$2,104,094	43%
2013	$15,611,951	$13,992,639	$6,601,085	47%
2014	$27,405,836	$23,759,875	$13,131,631	55%
2015	$45,896,940	$39,276,598	$18,084,965	46%
2016	$40,299,248	$35,382,109	$19,923,814	56%
2017	$44,822,034	$38,751,699	N/A	N/A
2018	$51,639,951	$43,810,090	N/A	N/A
2019	$59,567,486	$51,218,095	N/A	N/A
2020	$41,954,670	$35,896,075	N/A	N/A
Grand Total	$332,380,948	$287,001,842	$59,845,588	

- Based on actual jobs and wages reported in 2018 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately $1.7 billion.

***Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

****Due to taxpayer confidentiality, years 2010-2012 were combined.**

Project Update Report

May 2020

Project	County	Approval Date	Exit Date	Program
Allconnect, Inc.				
	Fayette	**2/23/2012**	**4/27/2020**	**KBI**
Allconnect, Inc. was acquired by RedVentures LLC and the facility in Lexington was closed effective October 31, 2019.				
Alabama Wire Products, Inc.				
	Hardin	**04/27/2017**	**4/30/2020**	**KBI**
Company requested to let the project expire per an email dated 3/17/2020				

MEMORANDUM

TO: KEDFA Board

FROM: Debbie Phillips DP
Incentives Administration Division

DATE: May 28, 2020

SUBJECT: Hospital Revenue Refunding Bonds, Series 2020B (Baptist Healthcare System Obligated Group) – $450,000,000 – Inducement Resolution

Attached is a draft New Bond Issue Report related to KEDFA's proposed issuance of healthcare facilities revenue refunding bonds in an aggregate principal amount not to exceed $450 million on behalf of Baptist Healthcare System Obligated Group. The bond proceeds will be used to: 1) refund all of the outstanding KEDFA Variable Rate Demand Hospital Revenue Bonds, Series 2009B, currently outstanding in a total principal amount of $284,435,000, 2) refund all of the outstanding KEDFA Hospital Revenue Bonds, Series 2011, currently outstanding in a total principal amount of $140,000,000, and (iii) pay costs of issuance of the 2020B Bonds and of the Refunding. The local jurisdictions that may be impacted by the project include Lexington, Louisville, Paducah, Corbin and LaGrange, Kentucky.

Please note that KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of referral resolutions from the affected local jurisdictions requesting that KEDFA issue the bonds. Furthermore, a TEFRA hearing for the purpose of receiving public comment on the proposed bond issues will be conducted by staff prior to KEDFA's adoption of a final resolution. Final approval is expected to be sought at the June 2020 Board meeting.

If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds.

Staff recommends KEDFA's adoption of the inducement bond resolution.

DRAFT

KEDFA BOND INFORMATION FORM

Name of Issue:	Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2020B (Baptist Healthcare System Obligated Group)
Name of project(s) covered by Issue:	Refunding of costs of various existing Baptist Healthcare System Projects – See Exhibit A
Purpose of Issue:	The 2020B Bonds are being issued to (i) refund all of the outstanding Kentucky Economic Development Finance Authority Variable Rate Demand Hospital Revenue Bonds, Series 2009B (Baptist Healthcare System Obligated Group), currently outstanding in a total principal amount of $284,435,000 (the "2009B Bonds"), (ii) refund all of the outstanding Kentucky Economic Development Finance Authority Hospital Revenue Bonds, Series 2011 (Baptist Healthcare System Obligated Group), currently outstanding in a total principal amount of $140,000,000 (the "2011 Bonds"), and (iii) pay costs of issuance of the 2020B Bonds and of the Refunding.
Size:	Up to $450,000,000
Date of Sale:	_____ __, 2020
Date of Issue:	_____ __, 2020
Maturity:	August 15, 2046
Ratings:	Baa1 (Moody's) / A (Fitch)
Security:	Master Trust Indenture Obligation of Baptist Healthcare System, secured by a pledge of revenues of the Baptist Health Obligated Group
Date authorization(s):	June 25, 2020 (KEDFA approval) July 14, 2020 (State Property and Buildings Commission) July 14, 2020 (Capital Projects and Bond Oversight Committee) July __, 2020 (Office of Financial Management of the Finance and Administration Cabinet)

Net Proceeds for Refunding:	TBD
Plus: Issuance Costs	TBD
GROSS PROCEEDS:	TBD

Terms of issue:		**Net interest rate:**	_.__%
Length of term:	26 years		

Gross debt service amount: TBD
Average annual debt service: TBD

First call date: TBD **Premium at first call:** TBD
Security: See above
Method of sale: Negotiated
Purchasers: [Bank of America Securities. Other purchasers TBD]

Professional Services

Pursuant to the provisions of KRS Chapter 47, the

Agency: Kentucky Economic Development Finance Authority
Issue: Hospital Revenue Refunding Bonds, Series 2020B (Baptist Healthcare System Obligated Group)

is providing information on all costs associated, either directly or indirectly, with the issuance of revenue bonds or notes.

Payee Name/Address*	Participation	Fees, commissions, or any other economic benefits received or anticipated to be received
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	$10,000
Hall, Render, Killian, Heath & Lyman, P.C. 500 North Meridian St., Suite 400 Indianapolis, IN 46204	Bond Counsel Fee and Expenses	TBD
Dinsmore & Shohl LLP 101 South Fifth Street Suite 2000 Louisville, KY 40202	Borrower Counsel Fee and Expenses	TBD
U.S. Bank National Association One Financial Square Louisville, KY 40202	Trustee's Fee	TBD
Stites & Harbison PLLC 400 West Market Street, Suite 1800 Louisville, KY 40202	Issuer's Counsel Fee and Expenses	TBD
Hammond Hanlon Camp LLC 623 Fifth Avenue, 29th Floor New York, NY 10022	Financial Advisory Fee	TBD
Senior Manager [Bank of America Securities One Bryant Park New York, NY 10036]	Underwriters' Discount	TBD
Co-Manager TBD	Underwriters' Discount	TBD

TBD	Underwriters' Counsel Fee and Expenses	TBD
Deloitte & Touche LLP 220 West Main Street, Suite 2100 Louisville, KY 40202	Accountant's Fee	TBD
Moody's Investors Service 7 WTC at 250 Greenwich Street New York, NY 10007	Rating Fee	TBD
Fitch Ratings 33 Whitehall Street New York, NY 10004	Rating Fee	TBD
ImageMaster 1182 Oak Valley Drive Ann Arbor, MI 48108	Printing Fee	TBD
Misc/Contingency	Misc.	TBD

* Payees listed shall include issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel, special tax counsel, and any other persons receiving financing benefit from the issuance of revenue bonds or notes.

Note: Changes or additions in amounts or names of payees or recipients shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and shall be made available to the public, within three (3) days following such change or addition.

SOURCES AND USES (attach)

Sources:	Bond Proceeds	TBD
	Total Sources	TBD

Debt Service: (attach)

Uses:	Refunding of 2009B Bonds	TBD
	Refunding of 2011 Bonds	TBD
	Costs of Issuance	TBD
	Rounding	TBD
	Total Uses	TBD

FOR REFUNDING ONLY

Bond issue being refinanced: (i) all of the outstanding Kentucky Economic Development Finance Authority Kentucky Economic Development Finance Authority Variable Rate Demand Hospital Revenue Bonds, Series 2009B (Baptist Healthcare System Obligated Group), currently outstanding in a total principal amount of $284,435,000, and (ii) all of the outstanding Kentucky Economic Development Hospital Revenue Bonds, Series 2011 (Baptist Healthcare System Obligated Group), currently outstanding in a total principal amount of $140,000,000

Amount of principal: TBD

Amount to be refunded: 2009B = $284,435,000.00
2011 = $140,000,000.00

Terms of existing bond issue:

Net interest rate: 2009B-1 & B-2 = (LIBOR x 67%) + 0.80%
2009B-3 & B-4 = (LIBOR x 68%) + 0.56%
2011 = 5.3248%

Length of term: 2009B = Mandatory Purchase Date of July 1, 2025; Final maturity 8/15/2038
2011 = Final maturity: 8/15/2046

First call date: 2009B-1, B-3 & B-4 = first calendar day of any month
2009B-2 = first business day of any month
2011 = 8/15/2021

Call at par: 2009B-1, B-3 & B-4 = first calendar day of any month
2009B-2 = first business day of any month
2011 = 8/15/2021

Average annual debt service 2009B = currently interest only
2011 = currently interest only

REFUNDING ACTIVITY

Funds to apply to refunding:	TBD
Proceeds from New Bonds:	TBD
Released Debt Service Reserve:	$0.00
Total Available to Pay Old Bond Issue:	TBD

SAVINGS RESULTING FROM REFINANCING

Average annual debt service savings:	TBD
Number of years savings will accrue:	TBD
Total present value savings:	TBD

EXHIBIT A

PRIOR PROJECTS

Proceeds of the Prior Bonds were used to finance and refinance all or any portion of the purchase, acquisition, construction, enlargement, remodeling, renovation, improvement, furnishing or equipping of the hospitals, other health facilities, and their related facilities, including land, owned or operated by Baptist Health or its affiliates and generally located at the addresses, all as described below:

1. Baptist Health Lexington, generally located at 1740 Nicholasville Road, Lexington, Fayette County, Kentucky ($185,000,000 maximum principal amount).

    - Acquisition, construction or renovation of hospital facilities, including tower additions, laboratories, operating rooms, obstetrical facilities, oncology services, emergency systems, outpatient services, power plant and HVAC upgrades, parking structures, land purchases, medical and office equipment and furnishings and other general facility improvements.

2. Baptist Health Louisville, generally located at 4000 Kresge Way, St. Matthews, Jefferson County, Kentucky ($155,000,000 maximum principal amount).

    - Acquisition, construction or renovation of hospital facilities, including patient bed and surgery towers, oncology facilities, emergency services, cardiovascular facilities, outpatient facilities, lab services, diagnostic imaging facilities, support services, parking facilities, and medical and office equipment and furnishings.

3. Baptist Health Paducah, generally located at 2501 Kentucky Avenue, Paducah, McCracken County, Kentucky ($85,000,000 maximum principal amount).

    - Acquisition, construction or renovation of hospital facilities, including facilities for surgical services, outpatient facilities, cardiovascular services, women's health services, diagnostic imaging services, chaplain services, safety system upgrades, and medical and office equipment and furnishings.

4. Baptist Health Corbin, generally located at 1 Trillium Way, Corbin, Whitley County, Kentucky ($18,500,000 maximum principal amount).

    - Acquisition, construction or renovation of hospital facilities, including surgery facilities, emergency services, behavioral health facilities, HVAC systems, plumbing systems, and medical and office equipment and furnishings.

5. Baptist Health LaGrange, generally located at 1025 New Moody Lane, LaGrange, Oldham County, Kentucky ($6,000,000 maximum principal amount).

    - Acquisition, construction or renovation of hospital facilities, including facility safety systems, laboratory facilities, HVAC equipment, emergency and patient room improvements and medical and office equipment and furnishings.

6. Baptist Health Support Services, generally located at 4007 Kresge Way, St. Matthews, Jefferson County, Kentucky ($12,000,000 maximum principal amount).

    - Acquisition, construction or renovation of facility safety equipment and medical and office equipment and furnishings.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
TIF REPORT - PRELIMINARY APPROVAL

Date: May 28, 2020
Applicant: City of Newport Finance and Administration Department
Project Name: World Peace Hospitality Mixed-Use Redevelopment Project
City: Newport **County:** Campbell
Program Type: Mixed-Use Redevelopment in Blighted Urban Areas
TIF Term: 20 years **DFS Staff:** Kylee Palmer

Project Description: In 1999, the World Peace Bell in Newport, KY opened for the first time and remained the largest swinging bell in the world until 2006. The Bell features an inscription commemorating the Universal Declaration of Human Rights and engravings marking important events from the past 1,000 years. The Bell's tower, the bridge linking the Millennium Museum and the World Peace Bell, were produced by companies local to Newport, KY, but are deteriorating at a rapid pace. Furthermore, the parking lot adjacent to the local landmark surrounded by Monmouth, York, Fourth and Fifth streets remains vacant and is part of the revitalization of Newport's downtown.

The Project plans to redevelop the site to help meet public parking demand, create better connections from the city's central business district to the riverfront, and energize area business development by including a parking garage, an extended stay hotel and a mixed-use building with retail, restaurant and office space. With a well-balanced approach and keen focus on successful execution, the Project expects to create positive impacts in communities through reinvestment that maximizes long-term value.

The proposed development is expected to include two phases:

Phase 1 - estimated completion by 2022.
- Land
- Public Infrastructure
  - Parking garage, site prep, curbs, sidewalks, promenades, utilities, easements, lighting, and public amenities.
- Hotel ~ 144 rooms or 86,400 square feet

Phase 2 - estimated completion by 2024.
- Mixed-Use building
  - Retail ~ 8,250 square feet
  - Restaurant ~ 8,250 square feet
  - Office ~ 49,500 square feet

Total estimated cost of the project is approximately $45.5 million, excluding financing.

Construction is expected to begin in the fall of 2020 with all phases of the project completed in the summer of 2024.

Certification: Jerry Peluso, Mayor of the City of Newport and Steve Pendery, County Judge Executive, have both certified that the World Peace Hospitality Mixed-Use Redevelopment Project is not reasonably expected to be developed without public assistance, including but not limited to tax increment financing.

Impact: This Project could generate significant new economic impact to the area and the Commonwealth. Over a 20-year period, the applicant estimates that $35.5 million in state and local incremental tax revenues (State - $23.1 million; Local - $12.4 million) could be generated within the Project's requested footprint.

Public Infrastructure: Infrastructure costs total approximately $7.8 million:

- Land preparation
- Curbs, sidewalks, promenades and pedways
- Street lighting
- Provision of utilities
- Public space or parks
- Parking
- Easements and rights of way

Preliminary Approval: By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Office of Financial Management to create criteria for which a consultant would review the project feasibility including financing, appropriateness for the use of the TIF program and potential increments, and whether the project represents a net positive impact to the Commonwealth.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT

Date: May 28, 2020
Grantee: County of Marion, Kentucky
Beneficiary: Marion County Industrial Foundation, Inc.
City: Lebanon **County:** Marion
Bus. Dev. Contact: M. David-Jacobs **OFS Staff:** K. McCane

Project Description: The Marion County Industrial Foundation (MCIF) proposes to build an access road to catalyze the balance of the 250 acre business and industrial park in Lebanon, Marion County. MCIF will match the requested Economic Development Fund grant. This is a Product Development Initiative project recommended for approval under the EDF program. The project was identified by an independent site selection consultant contracted by the Kentucky Association for Economic Development as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned	**Total Investment**
Land	$0
Building/Improvements	$396,378
Equipment	$0
Other Start-up Costs	$0
TOTAL	**$396,378**

Anticipated Project Funding	**Amount**	**% of Total**
Economic Development Fund Grant (State)	$198,189	50.0%
MCIF Equity	$198,189	50.0%
TOTAL	**$396,378**	100.0%

Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT: **$198,189**

Active State Participation at the Project Site:

Date	Program	Status	Amount
Sep 30, 1999	Direct Loan	Monitor	$1,800,000

Recommendation:
Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT

Date: May 28, 2020
Grantee: Henderson County
Beneficiary: City of Henderson
City: Henderson **County:** Henderson
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: The City of Henderson has committed $75,000 and Henderson Economic Development has committed $100,000 to match the Economic Development Fund Grant to extend the Henderson Municipal Gas line. This natural gas line will be extended approximately 4,400 feet to the property site along the Highway 425 Bypass. The City of Henderson and Henderson Municipal Gas staff will take the lead on this utility infrastructure improvement project to design and install the line. This is a Product Development Initiative project recommended for approval under the EDF program. The project was identified by an independent site selection consultant contracted by the Kentucky Association for Economic Development as having the potential for future investment/location of an economic development project.

	Total Investment
Land	$0
Building/Site Improvements	$0
Equipment	$350,000
Other Start-up Costs	$0
TOTAL	**$350,000**

Anticipated Project Funding	Amount	% of Total
Henderson Economic Development	$0	0.0%
Economic Development Fund Grant (State)	$175,000	50.0%
Henderson Economic Development/TVA Funds	$100,000	28.6%
City of Henderson	$75,000	21.4%
TOTAL	**$350,000**	100.0%

Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and progress reports will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT: **$175,000**

Recommendation:
Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: May 28, 2020

SUBJECT: KBI Amendment
Frost-Arnett Company (Taylor County)
KBI Project # 19871

Company is requesting a First Amendment to Tax Incentive Agreement to reflect a change of KBI project location in Taylor County resulting in additional square footage retroactive to December 30, 2019. All other aspects remain the same.

Staff recommends approval

MEMORANDUM

TO: KEDFA Board

FROM: Robert Aldridge, Director
Compliance Division

DATE: May 28, 2020

SUBJECT: KBI Amendment
TechStyle, Inc. (Jefferson County)
KBI Project # 18422

TechStyle, Inc. operates a distribution center campus in Jefferson County to support the company's internet-based fashion website. The project has two approved affiliates, Fabletics, LLC and TechFab, LLC. As a result of corporate restructuring, the company transferred some employees working at the project site to JF Retail Services, LLC, a subsidiary of the parent company. Additionally, TechFab, LLC was merged into the existing business and the subsidiary was dissolved.

The company is requesting that JF Retail Services, LLC be added to the project as an approved affiliate, and that TechFab, LLC be removed from the project. All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: May 28, 2020

SUBJECT: KEIA Extensions

The following company has requested additional time to complete their project:

Company	County	Extension
Vanderbilt Chemicals, LLC	Calloway	3 Months

Staff recommends approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date:	May 28, 2020		
Approved Company:	BuildMyPlace, LLC		
City:	Louisville	**County:**	Jefferson
Activity:	Service & Technology	**Prelim Resolution #:**	KBI-I-20-23025
Bus. Dev. Contact:	M. David-Jacobs	**DFS Staff:**	K. McCane

Project Description: BuildMyPlace, LLC was established as a new e-commerce design and home improvement service company. The company is considering renovations of an existing building to establish office space and operations for a new web-based design service company.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$6,800,000	$6,800,000
Equipment	$500,000	$500,000
Other Start-up Costs	$8,000,000	$8,000,000
TOTAL	**$15,300,000**	**$15,300,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	$28.00	
1	100	$28.00	$100,000
2	100	$28.00	$100,000
3	100	$28.00	$100,000
4	100	$28.00	$100,000
5	100	$28.00	$100,000
6	100	$28.00	$100,000
7	100	$28.00	$100,000
8	100	$28.00	$100,000
9	100	$28.00	$100,000
10	100	$28.00	$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,000,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Rahul Anand - Brandenburg, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% Louisville Metro Government

Unemployment Rate:
County: 5.0%
Kentucky: 5.7%

Existing Presence in Kentucky: None

Special Conditions:
The company will be required to maintain 95% of the total countywide full-time, Kentucky resident employees at all affiliate locations, including the site of the project, as of the date of preliminary approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: May 28, 2020
Approved Company: BuildMyPlace, LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Resolution #:** KEIA-20-23026
Bus. Dev. Contact: M. David-Jacobs **DFS Staff:** K. McCane

Project Description: BuildMyPlace, LLC was established as a new e-commerce design and home improvement service company. The company is considering renovations of an existing building to establish office space and operations for a new web-based design service company.

Facility Details: Locating in a new facility

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building Construction	$3,565,000	$6,800,000
Electronic Processing Equipment	$0	$0
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$500,000
Other Start-up Costs	$0	$8,000,000
TOTAL	**$3,565,000**	**$15,300,000**

Approved Recovery Amount:

Construction Materials and Building Fixtures: $50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$50,000**

See KBI file (KBI-I-20-23025) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 28, 2020
Approved Company: Hitachi Automotive Electric Motor Systems America, Inc.
City: Berea **County:** Madison
Activity: Manufacturing **Prelim Resolution #:** KBI-I-20-23027
Bus. Dev. Contact: B. Leep **DFS Staff:** K. McCane

Project Description: Hitachi Automotive Electric Motor Systems America, Inc. is a new subsidiary company of Hitachi Automotive Electric Motor Systems, Ltd. The company is considering renovating and purchasing equipment to development, manufacture and sale electric vehicle motors. The project anticipates an investment of $94.8 million including rent costs.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$6,800,000	$6,800,000
Equipment	$360,000	$80,000,000
Other Start-up Costs	$0	$0
TOTAL	**$7,160,000**	**$86,800,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	18	$27.00	
1	21	$27.00	$295,000
2	21	$27.00	$295,000
3	54	$27.00	$295,000
4	162	$27.00	$295,000
5	162	$27.00	$295,000
6	162	$27.00	$295,000
7	162	$27.00	$295,000
8	162	$27.00	$295,000
9	162	$27.00	$295,000
10	162	$27.00	$295,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$2,950,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Hitachi Automotive Electric

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% City of Berea

Unemployment Rate:
County: 5.2%
Kentucky: 5.7%

Existing Presence in Kentucky: None

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 13 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: May 28, 2020
Approved Company: Hitachi Automotive Electric Motor Systems America, Inc.
City: Berea **County:** Madison
Activity: Manufacturing **Resolution #:** KEIA-20-23028
Bus. Dev. Contact: B. Leep **DFS Staff:** K. McCane

Project Description: Hitachi Automotive Electric Motor Systems America, Inc. is a new subsidiary company of Hitachi Automotive Electric Motor Systems, Ltd. The company is considering renovating and purchasing equipment to development, manufacture and sale electric vehicle motors. The project anticipates an investment of $94.8 million including rent costs.

Facility Details: Locating in a new facility

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building Construction	$3,400,000	$6,800,000
Electronic Processing Equipment	$0	$0
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$80,000,000
Other Start-up Costs	$0	$0
TOTAL	**$3,400,000**	**$86,800,000**

Approved Recovery Amount:

Construction Materials and Building Fixtures: $200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$200,000**

See KBI file (KBI-I-20-23027) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date:	May 28, 2020		
Approved Company:	Rajant Corporation		
City:	Morehead	**County:**	Rowan
Activity:	Manufacturing	**Prelim Resolution #:**	KBI-I-20-22956
Bus. Dev. Contact:	B. Leep	**DFS Staff:**	K. McCane

Project Description: Rajant Corporation began operations in May 2002 and has since developed dozen of new products and technologies leveraging its patented InstaMesh routing protocols. The company intends to expand its product offerings to manufacture printed circuit boards and semiconductor manufacturing while improving its commercial and military product lines. Rajant has outgrown its current facility and is seeking to relocate to the MMRC Spec building and make significant capital improvements to the building.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$32,000	$32,000
Building/Improvements	$1,768,000	$1,768,000
Equipment	$200,000	$200,000
Other Start-up Costs	$0	$0
TOTAL	**$2,000,000**	**$2,000,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$25.00	
1	12	$25.00	$20,000
2	15	$25.00	$20,000
3	20	$25.00	$20,000
4	26	$25.00	$20,000
5	26	$25.00	$20,000
6	26	$25.00	$20,000
7	26	$25.00	$20,000
8	26	$25.00	$20,000
9	26	$25.00	$20,000
10	26	$25.00	$20,000
11	26	$25.00	$20,000
12	26	$25.00	$20,000
13	26	$25.00	$20,000
14	26	$25.00	$20,000
15	26	$25.00	$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$300,000**

Incentive Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: $9.06
Total hourly compensation: $10.42

Ownership (20% or more):
Digital Broadband Applications - Delaware

Active State Participation at the project site:

Date	Program	Status / Jobs Required	Amount
May 30, 2019	KBI	Monitor/28	$300,000

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 5.1%
Kentucky: 3.9%

Existing Presence in Kentucky:
Rowan County

Special Conditions:
The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 28 *(base employment number required by previous project #20340)* full-time, Kentucky resident employees.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: May 28, 2020
Approved Company: Rajant Corporation
City: Morehead **County:** Rowan
Activity: Manufacturing **Resolution #:** KEIA-20-22957
Bus. Dev. Contact: B. Leep **DFS Staff:** K. McCane

Project Description: Rajant Corporation began operations in May 2002 and has since developed dozen of new products and technologies leveraging its patented InstaMesh routing protocols. The company intends to expand its product offerings to manufacture printed circuit boards and semiconductors while improving its commercial and military product lines. Rajant has outgrown its current facility and is seeking to relocate to the MMRC Spec building and make significant capital improvements to the building.

Facility Details: Expanding existing operations

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$32,000
Building Construction	$884,000	$1,768,000
Electronic Processing Equipment	$0	$60,000
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$140,000
Other Start-up Costs	$0	$0
TOTAL	**$884,000**	**$2,000,000**

Approved Recovery Amount:

Construction Materials and Building Fixtures: $50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$50,000**

See KBI file (KBI-I-20-22956) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 28, 2020
Approved Company: Quality Logistics LLC dba Longship Logistics
City: Lexington **County:** Fayette
Activity: Service & Technology **Prelim Resolution #:** KBI-I-20-23012
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips

Project Description: Quality Logistics LLC dba Longship Logistics opened for business in May 2012 as a third-party logistics company specializing in over-the-road truckloads of fresh, frozen, and dry shipments. The company is considering the relocation of its existing facility to meet customer demands.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$700,000	$700,000
Building/Improvements	$3,200,000	$3,200,000
Equipment	$200,000	$200,000
Other Start-up Costs	$200,000	$200,000
TOTAL	**$4,300,000**	**$4,300,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$28.00	
1	15	$28.00	$25,000
2	25	$28.00	$25,000
3	40	$28.00	$75,000
4	50	$28.00	$100,000
5	65	$28.00	$125,000
6	75	$28.00	$150,000
7	90	$28.00	$150,000
8	115	$28.00	$200,000
9	140	$28.00	$200,000
10	155	$28.00	$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,250,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Kenny R. Schomp - Lexington, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% - Lexington Fayette Urban County Government

Unemployment Rate:
County: 4.4% Kentucky: 5.7%

Existing Presence in Kentucky:
Fayette County

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 70 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 28, 2020
Approved Company: Regal Beloit America Inc. dba Regal Beloit - Power Transmission Solutions

City: Florence
County: Kenton
Activity: Manufacturing
Prelim Resolution #: KBI-I-20-22952
Bus. Dev. Contact: E. Bishop
DFS Staff: D. Phillips

Project Description: Regal Beloit America Inc. dba Regal Beloit - Power Transmission Solutions manufactures couplings, conveying and gearing products. The Florence facility currently operates the Corporate and Administrative Offices as well as Manufacturing, Warehousing and Distribution of PTS products. The primary products manufactured are Coupling, Conveying and Gearing products, including Worm Gear Reducers, High Performance Disc Couplings, Torque Monitoring and Conveying Equipment. The current facility is approximately 335,000 square feet. The proposed facility modification would be approximately 34,000 square feet.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$3,367,000	$3,367,000
Equipment	$0	$0
Other Start-up Costs	$0	$0
TOTAL	**$3,367,000**	**$3,367,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$40.00	
1	15	$40.00	$85,000
2	45	$40.00	$85,000
3	56	$40.00	$85,000
4	56	$40.00	$85,000
5	56	$40.00	$85,000
6	56	$40.00	$85,000
7	56	$40.00	$85,000
8	56	$40.00	$85,000
9	56	$40.00	$85,000
10	56	$40.00	$85,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$850,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Publicly Traded

Active State Participation at the project site:

Date	Program	Status / Jobs Required	Amount
Feb 24, 2011	KIDA	Monitor/102	$2,208,000

Requested Wage Assessment / Local Participation:
State: 1.5%
Local: 0.5% - Kenton County

Unemployment Rate:
County: 4.7%
Kentucky: 5.7%

Existing Presence in Kentucky:
Kenton, Mason, Montgomery and Rowan Counties

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval at the site of the project and the Maysville facility. The company reported 329 full-time, Kentucky resident employees as of the application date.

The company will be required to maintain 95% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project and the Maysville facility, as of the date of preliminary approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 28, 2020
Approved Company: Bastian Solutions, LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-20-23010
Bus. Dev. Contact: M. David-Jacobs **DFS Staff:** K. McCane

Project Description: Bastian Solutions, LLC primarily provides canned and custom software related code writing and engineering services related to IT and software solutions for warehouse automation. The company proposes to expand its Louisville operations to meet projected growth and increase physical space capacity.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased	**Eligible Costs**	**Total Investment**
Rent	$2,392,000	$4,784,000
Building/Improvements	$0	$0
Equipment	$400,000	$400,000
Other Start-up Costs	$0	$0
TOTAL	**$2,792,000**	**$5,184,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	26	$46.00	
1	63	$46.00	$200,000
2	75	$46.00	$220,000
3	86	$46.00	$220,000
4	106	$46.00	$220,000
5	125	$46.00	$220,000
6	144	$46.00	$220,000
7	144	$46.00	$220,000
8	144	$46.00	$220,000
9	144	$46.00	$220,000
10	144	$46.00	$240,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$2,200,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% Louisville Metro Government

Unemployment Rate:
County: 5.0%
Kentucky: 5.7%

Existing Presence in Kentucky:
Jefferson and Scott County

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 101 full-time, Kentucky resident employees as of the application date.

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 28, 2020
Approved Company: Creative Packaging Company
City: Shelbyville **County:** Shelby
Activity: Manufacturing **Prelim Resolution #:** KBI-I-20-23021
Bus. Dev. Contact: M. David Jacobs **DFS Staff:** K. McCane

Project Description: Creative Packaging Company (CPCO) is a manufacturer and distributor of various product lines to service the protective packaging and temperature-controlled supply chain market. The company is considering the purchase of new equipment for the manufacturing of gel packs due to the increased growth in the meal kit marketplace.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$100,000	$100,000
Equipment	$200,000	$250,000
Other Start-up Costs	$250,000	$250,000
TOTAL	**$550,000**	**$600,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$16.50	
1	30	$16.50	$10,000
2	30	$16.50	$25,000
3	30	$16.50	$25,000
4	30	$16.50	$25,000
5	30	$16.50	$25,000
6	30	$16.50	$25,000
7	30	$16.50	$30,000
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$165,000**

Incentive Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Ownership (20% or more):
Kevin Lyons - Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 2.25%
Local: 0.75% City of Shelbyville

Unemployment Rate:
County: 4.4%
Kentucky: 5.7%

Existing Presence in Kentucky:
Shelby County

Special Conditions:
The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 90 full-time, Kentucky resident employees as of the application date.

MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder ME
Incentive Administration Division

DATE: May 28, 2020

SUBJECT: KBI Extensions

The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

Company	County	Extension
Cabot Corporation	Carroll	3 Month
Pilgrim's Pride Corporation	Graves	3 Month
Pride Industries, Inc.	Union	3 Month
Four O Corporation	Boone	6 Month
Wright-Mix Material Solutions, LLC	Greenup	6 Month
Greif Packaging LLC dba Multicorr	Jefferson	12 Month
Mayfield Consumer Products, LLC	Graves	12 Month
Michter's Distillery LLC	Jefferson	12 Month
Tri-Arrows Aluminum Inc.	Logan	12 Month

Staff recommends approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: May 28, 2020
Preliminary Approval: June 29, 2017
Approved Company: Adkev, Inc.
City: Danville
County: Boyle
Activity: Manufacturing
Final Resolution #: KBI-F-20-21679
Bus. Dev. Contact: B. Cox
DFS Staff: D. Phillips

Project Description: In 1987, Adkev opened for business in Goodland, IN as a custom injection molding company has expanded to a second Indiana facility. The company opened its third facility in Danville to allow closer access to its Tennessee customers and to meet market demands.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$15,650,000	$15,650,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$19.00	
1	25	$19.00	$50,000
2	40	$19.00	$50,000
3	55	$19.00	$50,000
4	65	$19.00	$50,000
5	70	$19.00	$50,000
6	70	$19.00	$50,000
7	70	$19.00	$50,000
8	70	$19.00	$50,000
9	70	$19.00	$50,000
10	70	$19.00	$50,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$500,000**

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: $9.06
Total hourly compensation: $10.42

Special Conditions: None

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: May 28, 2020
Preliminary Approval: April 27, 2017
Approved Company: Interapt, LLC
City: Louisville
County: Jefferson
Activity: Headquarters
Final Resolution #: KBI-FL-20-21592
Bus. Dev. Contact: M. David-Jacobs
DFS Staff: K. McCane

Project Description: Interapt, LLC is a high-technology company focused on driving employee engagement and delivering customer excellence with mobile tools. The company has a suite of innovative mobile software and high-tech wearables for HR/People Operations, healthcare enterprises and media organizations. Interapt established a corporate headquarters in Louisville to support its high-trajectory growth.

	Eligible Costs	Total Investment
Anticipated Project Investment - Leased	$3,360,000	$3,690,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	55	$28.00	
1	55	$28.00	$200,000
2	110	$28.00	$200,000
3	175	$28.00	$200,000
4	250	$28.00	$200,000
5	250	$28.00	$200,000
6	250	$28.00	$200,000
7	250	$28.00	$200,000
8	250	$28.00	$200,000
9	250	$28.00	$200,000
10	250	$28.00	$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$2,000,000**

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Special Conditions:
Maintain Base Employment: 1

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: May 28, 2020
Preliminary Approval: August 29, 2019
Approved Company: Meggitt Aircraft Braking Systems Kentucky Corporation
City: Danville **County:** Boyle
Activity: Manufacturing **Final Resolution #:** KBI-FD-20-22680
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips

Project Description: Meggitt Aircraft Braking Systems Kentucky Corporation manufactures carbon brakes for commercial and military aircraft. The project included a 95,000 s.f. expansion to its furnace operation, the purchase of 11 carbon furnaces, and related equipment and upgrades to existing equipment at its existing facility in Danville.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$82,680,000	$82,680,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	26	$18.00	
1	54	$18.00	$25,000
2	83	$18.00	$75,000
3	83	$18.00	$100,000
4	83	$18.00	$100,000
5	83	$18.00	$100,000
6	83	$18.00	$100,000
7	83	$18.00	$100,000
8	83	$18.00	$100,000
9	83	$18.00	$100,000
10	83	$18.00	$100,000
11	83	$18.00	$100,000
12	83	$18.00	$100,000
13	83	$18.00	$100,000
14	83	$18.00	$100,000
15	83	$18.00	$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,400,000**

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: $9.06
Total hourly compensation: $10.42

Special Conditions:
Maintain Base Employment: 293

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: May 28, 2020
Preliminary Approval: March 30, 2017
Approved Company: Perfetti Van Melle USA Inc.
City: Erlanger **County:** Boone
Activity: Manufacturing **Final Resolution #:** KBI-F-20-21546
Bus. Dev. Contact: B. Cox **DFS Staff:** K. McCane

Project Description: Perfetti Van Melle USA opened for business in 1984 in Boone County as a confectionary manufacturing, sales and USA HQ operation as part of the larger global Perfetti van Melle (PVM) entity headquartered in Amsterdam. Worldwide PVM is one of the 5 largest non-chocolate confectionary companies in the world. PVM expanded its manufacturing/packaging capacity by nearly 50% in response to market demand and to better serve its customers.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$2,500,000	$11,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	$32.00	
1	50	$32.00	$50,000
2	50	$32.00	$50,000
3	50	$32.00	$50,000
4	50	$32.00	$50,000
5	50	$32.00	$50,000
6	50	$32.00	$50,000
7	50	$32.00	$50,000
8	50	$32.00	$50,000
9	50	$32.00	$50,000
10	50	$32.00	$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$500,000**

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Special Conditions:
Maintain Base Employment: 208

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: May 28, 2020
Preliminary Approval: May 25, 2017
Approved Company: Sims Bark Co. of Georgia, LLC
City: Corbin **County:** Whitley
Activity: Manufacturing **Final Resolution #:** KBI-F-20-21626
Bus. Dev. Contact: B. Burton **DFS Staff:** K. McCane

Project Description: Sim's Bark Co. of Georgia, LLC has been a family owned and operated business since 1974, with manufacturing facilities in Alabama, Georgia and South Carolina. Sims Bark uses raw materials, such as bark from saw mills, and processes it into various mulches and soils, which are bagged and distributed to retailers across the Southeastern United States. The company established a new manufacturing facility in Corbin.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$3,794,460	$3,794,460

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	11	$21.00	
1	11	$21.00	$30,000
2	16	$21.00	$30,000
3	18	$21.00	$30,000
4	20	$21.00	$30,000
5	21	$21.00	$30,000
6	21	$21.00	$30,000
7	21	$21.00	$30,000
8	21	$21.00	$30,000
9	21	$21.00	$30,000
10	21	$21.00	$30,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$300,000**

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: $9.06
Total hourly compensation: $10.42

Special Conditions: None

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: May 28, 2020
Preliminary Approval: August 30, 2018
Approved Company: Danimer Scientific Kentucky, Inc.
City: Winchester **County:** Clark
Activity: Manufacturing **Final Resolution #:** KBI-FL-20-22220
Bus. Dev. Contact: B. Leep **DFS Staff:** D. Phillips

Project Description: Danimer Scientific Kentucky, Inc. is a pioneer in creating more sustainable, more natural ways to produce biodegradable and compostable plastic products. The project included a new facility in Winchester.

	Eligible Costs	Total Investment
Anticipated Project Investment - Leased	$5,432,424	$57,799,361

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	24	$28.00	
1	24	$28.00	$150,000
2	37	$28.00	$150,000
3	37	$28.00	$150,000
4	37	$28.00	$150,000
5	37	$28.00	$150,000
6	37	$28.00	$150,000
7	37	$28.00	$150,000
8	37	$28.00	$150,000
9	37	$28.00	$150,000
10	37	$28.00	$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,500,000**

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: $10.88
Total hourly compensation: $12.51

Special Conditions: None

Modifications since preliminary approval? Yes
Total invesment and eligible costs have been updated based on the current projections. The project changed from an owned project to a leased project with no rent being considered as eligible costs. All other aspects of the project remain the same.

Kentucky Small Business Tax Credit Projects
May 2020

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
E & E Mechanical, Inc.	Jefferson	26	1	$20.00	$40,691	$3,500
Eezy LLC	Warren	9	4	$27.56	$14,054	$14,000
Emily Brown Taylor, P.S.C.	Hopkins	4	1	$17.00	$31,920	$3,500
Haire Construction, LLC	Jefferson	0	7	$26.71	$94,500	$24,500
SiteCon Construction, LLC	Nelson	0	4	$33.41	$73,515	$14,000
TrinSoft, LLC	Fayette	16	1	$25.00	$5,297	$3,500
Williams Vintage Woodworks Limited Liability Company	Lincoln	0	1	$13.00	$5,123	$3,500
Work Architecture and Design, Ltd. Co.	Jefferson	4	1	$19.23	$5,583	$3,500
8	**6**		**20**	**Total**	**$270,683**	**$70,000**

Note: The tax credit amount will be equal to the lesser of $3,500 per eligible position or the total eligible qualifying equipment/technology amount, with a maximum tax credit of $25,000 per applicant for each calendar year. Per KRS 154.60-020, the total sum of tax credits awarded for Kentucky Small Business Tax Credit (KSBTC) and Kentucky Selling Farmer Tax Credit (KSFTC) projects in each state fiscal year shall be capped at $3,000,000.

Fiscal Year Credit Limit	$3,000,000
FYTD KSBTC Approvals	$1,503,600
FYTD KSFTC Approvals	$0
Current KSBTC Request	$70,000
Current KSFTC Request	$0
Remaining FY Credits	**$1,426,400**

CPAs & ADVISORS

May 5, 2020

To the Committee Members
Kentucky Economic Development Finance Authority

We are engaged to audit the financial statements of the Kentucky Economic Development Finance Authority (Authority) for the year ended June 30, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 5, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our "year-end fieldwork" on July 13, 2020 and to issue our reports no later than October 1, 2020.

This information is intended solely for the use of the Committee Members and is not intended to be, and should not be, used by anyone other than this specified party.

Very truly yours,

MCM CPAs & Advisors LLP

MCM CPAs & Advisors LLP
Louisville, Kentucky